GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2954
ANSWERED ON:07.12.2001
FALL IN THE ASSETS OF UTI
BIKASH CHOWDHURY

Will the Minister of FINANCE be pleased to state:

(a) whether the assets under management of UTI has fallen further by Rs. 1691 crores during the month of July, 2001;

(b) if so, the reasons therefor; and

(c) the steps being taken by the Government to save the interest of small investors in this reputed Government financial institution?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE P A TIL)

(a) According to Unit Trust of India (UTI), the market value of assets under management by UThas declined from Rs. 58,220.66 crore as on 30.6.2001 to Rs.55,450.67 crore as on 31.7.2001, a decline of Rs.2769.99 crare during July, 2001.

(b) According to UTI, the decline in the market value of assets under management can be attributed partly to the net outflow on account of repurchase/redemptions of units in July. 2001 and partly to fall in share prices. The BSE Sensex fell from 3456.78 points on 29.6.2001 to 3329.28 points on 31.7.2001.

(c) The government has taken following steps to protect the interest of small investors in U5-64 scheme of UTI :

After discussion with GovernmentUTI decided on 15th July, 2001to provide limited repurchase facility to investors of US-64 scheme from 1st August, 2001. Under this facility, all unitholders holding units as on 30th June, 2001 may offer for repurchase upto 3000 units per unitholder at any time during the period from 1st August, 2001 to 31st May, 2003 at the price of Rs. l0 per unit effective from 1st August, 2001 which will increase by 10 paise per month.